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RESOLUTION 02-12

WHEREAS, pursuant to the Zenovich-Moscone-Chacon Housing and Home Finance Act ("Act"), the California Housing Finance Agency ("Agency") has the authority to engage in activities to reduce the cost of mortgage financing for home purchase and rental housing development, including the issuance of bonds and the insuring of mortgage loans;

WHEREAS, the Agency's statutory objectives include, among others, increasing the range of housing choices for California residents, meeting the housing needs of persons and families of low or moderate income, maximizing the impact of financing activities on employment and local economic activity, and implementing the objectives of the California Statewide Housing Plan;

WHEREAS, the Agency desires to amend Resolution 01-18 adopted on May 17, 2001, which committed the Agency to a business plan for the years 2001/2002 through 2005/2006; and

WHEREAS, the Agency has presented to the Board of Directors a fiscal year 2002/2003 through 2006/2007 annual update of the business plan, in order to adjust to the every changing economic, fiscal and legal environment, which updated business plan is designated to assist the Agency to meet its statutory objectives, to address the housing needs of the people of California and to provide the Agency with the necessary road map to continue its bond, mortgage financing, and mortgage insurance activities well into the future,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

1. The updated business plan, a copy of which is attached hereto and made a part hereof, is hereby fully endorsed and adopted.

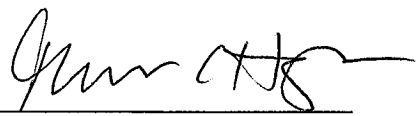
2. In implementing the updated business plan, the Agency shall, strive to satisfy all the capital adequacy, reserve, and any other requirements necessary to maintain the Agency's top-tier designation by Standard & Poor's Corporation, to maintain its general obligation credit ratings and the current credit ratings on its debt obligations, to comply with the requirements of the Agency's providers of credit enhancement, liquidity, and interest rate swaps and caps, and to satisfy any other requirements of the Agency's bond and insurance programs.

3. Because the updated business plan is necessarily based on various economic, fiscal and legal assumptions, in order for the Agency to respond to changing circumstances, the Executive Director shall have the authority to adjust the Agency's day-to-day activities to reflect actual economic, fiscal and legal circumstances in order to attain goals and objectives consistent with the intent of the updated business plan.

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I hereby certify that this is a true and correct copy of Resolution 02-12 adopted at a duly constituted meeting of the Board of Directors of the Agency held on May 16, 2002, at Burbank, California.

ATTEST:   
Secretary

Attachment